

Tentative Agreement Reached on Income Tax Cut Formula

Two Steps Would Reduce Income By \$10 Billion

Washington—Key Democrats on the House Ways and Means committee have agreed tentatively on broad outlines of a formula for cutting income taxes by nearly \$10 billion in two steps.

Although President Kennedy last January called for a net \$10.4 billion cut, the compromise has administration support and is expected to win committee approval next week.

The first cut in individual and corporate taxes would come next Jan. 1 and the remainder on Jan. 1, 1965. Under Kennedy's plan the first cut would have taken effect retroactively on July 1, 1963 and the last on Jan. 1, 1965.

Three Main Points

The three main elements of the compromise are:

- Individual tax rates, which now range from 20 to 91 per cent, would be scaled down to a range of from 15 to 75 per cent. Kennedy proposed a range of 14-85 per cent. The compromise would cost \$3.7 billion in revenue instead of the \$11 billion under Kennedy's plan.
- The 52 per cent tax on corporate income would be cut to 48 per cent, instead of 47 per cent as recommended by Kennedy. This would reduce the \$2.8 billion in revenue loss envisioned in Kennedy's program.
- Structural revisions would be made in tax law to produce a net gain of about \$1 billion or more in new offsetting revenue. There would be about \$3.2 billion if Congress had enacted all the revisions sought by Kennedy.

The committee already has stamped its final approval on structural revisions that would yield a net gain of between \$600 million and \$700 million in new revenue and may boost this total to about \$1 billion.

Revisions Come First

It does not plan to turn its attention to rate cuts until it has finished work on structural revisions.

By rejecting many of the controversial revenue-producing revisions recommended by Kennedy the committee apparently has assured that every taxpayer would get at least some tax relief under the compromise tax bill.

The reduction would be 25 per cent for those individual taxpayers who use the standard reduction for personal expenses and who have taxable incomes of no more than \$1,000. The 25 per cent cut could apply also to married couples with taxable incomes of no more than \$2,000.

Under existing law the lowest tax rate of 20 per cent applies to the first \$2,000 in taxable income for an individual and the first \$4,000 in taxable income for a married couple.

The compromise plan would split this \$2,000-4,000 first bracket into two brackets.

Foreign Briefs

18TH ANNIVERSARY OF NAGASAKI BOMBING NOTED
Nagasaki, Japan—About 2,000 persons gathered in a drizzle today to participate in a memorial service on the occasion of the 18th anniversary of the atomic bombing of Nagasaki. The quiet memorial service was held at the International Cultural hall while the leftist Japan council against atomic and hydrogen bombs discussed ways to hold a convention.

SOVIET SHIPS ANCHOR OFF BRITAIN
Resco, Sicily Isles—Two Soviet warships anchored off these islands on Britain's southwest coast Thursday, the British Admiralty reported. The vessels were identified as a heavy cruiser and a destroyer. An Admiralty spokesman said the ships were anchored three miles off the coast and were outside Britain's territorial waters. He declined further comment.

FRANCE ORDERS MOVEMENTS OF TOURISTS
Paris—The French government ordered a military sea and airlift Thursday of thousands of tourists and travelers stranded by flash maritime strikes. The operation began shortly after the seamen announced they would not be back on deck before noon today at the earliest. The seamen are seeking pay raises.

SYRIANS FIRE ON ISRAELI CIVILIANS
Tiberias, Israel—Syrian troops opened fire on Israeli civilians three hours after Premier Levi Eshkol visited the area Thursday, Israeli officials said. No casualties were reported in the salvo of automatic weapons fire on farmers working the fields of the Haon settlement, where a similar outbreak of gunfire occurred earlier, the officials said.

Racial Picketing Continues; Massive Freedom Flight Set

By United Press International

Integrationists picketed city halls, supermarkets, department stores, a Brooklyn hospital construction site and locked themselves in chains in one city Thursday in the nationwide civil rights drive.

And across the country a massive "freedom flight" of buses, trains and airliners began to take shape for the Aug. 28 civil rights march on an estimated 100,000 persons on Washington.

Dozens of chanting teen-age demonstrators locked themselves together with chains strung out across a busy street in Elizabeth, N. J., and then tossed away the key.

Several girls fainted in the noisily demonstration in the midday heat. Police had to cut the chains from the demonstrators. Traffic was stalled about an hour. A 33-year-old woman was arrested on disorderly conduct charges.

The Southern Education Reporting service said the largest number of school districts in Southern and border states to racially integrate classrooms since 1956 would mix white and Negro pupils beginning in the fall school term.

SER said about 113 districts were scheduled to desegregate, raising to 1,092 the number of integrated districts in the 17-state area. Of these, 95 plan to integrate voluntarily and 18 submitted to federal court orders.

The so-called "freedom fleet" was expected to include more than 2,000 buses, 14 chartered trains and five airplanes. It would apply a rate of 15 per cent to the new first bracket—\$1,000 for a single person and \$2,000 for a married couple.

Kennedy Consoles Wife Over Death of Infant

Chief Executive Travels To Meet Other Children

Otis AFB, Mass.—President Kennedy consoled his grief-stricken wife Jacqueline today over the loss of their two-day-old son and then went to his Squaw Island summer home to visit his other two children.

The anguished Chief Executive, his eyes red and swollen, left the base hospital after a 2 hour and 10 minute visit with the First Lady. He made no immediate comment.

The President was spared the sorrow of having to tell his wife their baby was dead. Dr. John W. Walsh, her obstetrician, broke the news to the First Lady just after she awoke in her hospital room.

The doctor then placed Mrs. Kennedy under a mild sedation, it was disclosed. Mrs. Kennedy then slept until her husband arrived a few hours later.

Press secretary Pierre Salinger said that under the circumstances Mrs. Kennedy's condition was "satisfactory."

Brothers Make Trip

Kennedy's brothers, Atty. Gen. Robert and Sen. Edward, rode with him in a convertible on the trip to Squaw Island where Caroline, 5, and John Jr., 2, awaited him.

President and Mrs. Kennedy were alone during most of his visit. Kennedy had flown here earlier by helicopter from Boston, where his prematurely born son had died in a hospital at 4:04 a.m.

There was no information forthcoming from inside the hospital. Mrs. Kennedy's press secretary Pamela Turnure had not accepted calls this morning.

Kennedy showed lack of sleep and the sad ordeal he had suffered through for the past couple of days, hoping against hope that his son would pull through a lung complication that developed at birth.

There was no way of knowing how Mrs. Kennedy, who had been making fine recovery from Caesarean surgery, was taking the tragic blow. **Face Swollen**

The President was red-eyed and his face was swollen apparently from crying for the boy who never had a chance to live.

No other members of the big Kennedy clan had come to the hospital today. Neither did Mrs. Kennedy's mother, Mrs. Hugh D. Auchincloss, who had been standing by at the base.

Relatives and friends alike apparently were told to leave the First Lady to the privacy of her sorrow over the death of the baby she wanted so much.

State Ambassador To Tour Country

Portland—An "ambassador for Oregon" will take off on a transcontinental tour next month to lecture about the state. The elderly ambassador, Frank Branch Riley, 85, will be making his 28th tour.

Riley has stops scheduled in Chicago, Michigan State university at Lansing, Cleveland, Ohio, Albany, N.Y., Newark, N.J., New York City, Philadelphia, Baltimore, Wilmington, Del., Charleston, W. Va., Washington, D. C., and other eastern cities.

Riley is a practicing lawyer here.

Teen-Age Girls Are Placed on Probation

Two teen-age girls, one from Talent and the other from Eagle Point, were placed on 60 days' probation today in Medford municipal court for curfew violation.

The citation was issued by Medford police about 12:30 a.m. last Sunday, Aug. 4, when the girls were observed in downtown Medford.

Drugs, Electronics Pace Market Gains

New York — Stocks scored another sizable gain today, paced by strength in drugs, electronics and airlines.

Kress and Genesco ran counter to the trend following news that the Kress Foundation would not tender its shares of Kress to Genesco.

Carter Products, Johnson & Johnson, Merck, Parke Davis, Plough, Richardson-Merrell, Rexall and Schering advanced in the drug section. Among the electronics, Beckman, Control Data, IBM, and Minneapolis-Honeywell rose a point or more.

DOW JONES AVERAGES
New York — Dow Jones final stock averages: 30 industrials 708.39, up 4.21; 20 railroads 170.61, up 1.02; 15 utilities 142.09, up 0.87, and 85 stocks 255.43, up 1.52. Sales Friday were about 4.05 million shares compared with 3.46 million shares Thursday.

Today's prices on selected stocks:

Allied Chemical	50 1/2
Alum Co Am	64 1/2
American Air Lines	26 1/2
American Can	43
American Motors	17 1/2
AT&T	122 1/2
Anaconda Copper	48 1/2
Armco	38 1/2
American Standard	17 1/2
Bendix Corp	49 1/2
Bethlehem Steel	29 1/2
Boeing Air	34 1/2
Caterpillar Corp	44 1/2
Chrysler Corp	62 1/2
Coca Cola	100 1/2
C.B.S.	67 1/2
Columbia Gas	28 1/2
Continental Can	46 1/2
Crown Zellerbach	49 1/2
Cruible Steel	22 1/2
Curtis Wright	15 1/2
Dow Chemical	69 1/2
Du Pont	24 1/2

Eastman Kodak	110 1/2
Firestone	33 1/2
Ford	31 1/2
General Dynamics	23 1/2
General Electric	80
General Foods	62 1/2
General Motors	71 1/2
General Portland Cement	20 1/2
Georgia Pacific	50
Grain Processing	31 1/2
Homestake	32 1/2
Idaho Power	33 1/2
IBM	44 1/2
Int'l Paper	29 1/2
Johns Manville	41 1/2
Kennecott Copper	32 1/2
Lockheed Aircraft	36 1/2
Martin	18 1/2
Merck	100 1/2
Montana Power	37 1/2
Montgomery Ward	38 1/2
National Lead	18 1/2
New York Central	20 1/2
Northern Natural Gas	51 1/2
Northern Pacific	47 1/2
Pac Gas Elec	32 1/2
Pennyc J. C.	41 1/2
Penn. RR	18 1/2
Permanent Cement	17
Phillips	52 1/2
Procter & Gamble	75 1/2
Radio Corp	70 1/2
Richfield Oil	43 1/2
Safeway	60 1/2
Santa Fe	28 1/2
Sears	20 1/2
Shell Oil	44 1/2
Socoyn Mobil Oil	70
Southern Co.	35 1/2
Southern Pacific	35 1/2
Sperry Rand	15 1/2
Standard California	67
Standard Indiana	64 1/2
Standard N.J.	70 1/2
Sun Mines	11 1/2
Texas Co.	73 1/2
Texas Gulf Sulphur	15 1/2
Texas Pacific Land Trust	23 1/2
Thiokol	20 1/2
Trans America	53
Trans World Air	19 1/2
Tri-Continental	46
Union Carbide	108
Union Pacific	40
United Aircraft	44 1/2
United Air Lines	39
U.S. Plywood	48 1/2
U.S. Rubber	48 1/2
U.S. Steel	47 1/2
Unit Utilities	30 1/2
West Bank Corp	42 1/2
Westinghouse	37 1/2

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